Introduction
The Anthem Health Plans of Virginia, Inc. d/b/a Anthem Blue Cross and Blue Shield, HealthKeepers, Inc., Peninsula Health Care, Inc., and Priority Health Care, Inc. (herein collectively referred to as “Anthem”) Quality Improvement (QI) Program promotes comprehensive and ongoing activities that systematically monitor the quality and appropriateness of clinical care and services offered by the health plans. The QI Program identifies and acts on opportunities for improvement. This QI Program Summary Report details the progress of improvement activities and performance against established goals.

A. 2006 QI Program
Anthem is committed to excellence in the quality of care and services provided to members and to the competence of its practitioners and other health care professionals and ancillary networks. Anthem is dedicated to increasing customer satisfaction, improving the health status and quality of care for members, providing value added services, improving member safety, ensuring member access to medical services, and its commitment to remain a highly respected and trusted organization.

The 2006 Anthem Virginia QI Program focused on the following activities:

- Monitoring and working to improve preventive care services provided to members, including, but not limited to:
  - childhood immunizations
  - adolescent immunizations
  - well child visits
  - breast cancer screening
  - cervical cancer screening
  - chlamydia screening
  - provision of prenatal and postpartum care
  - colorectal cancer screening

- Monitoring and working to improve care of acute/chronic conditions, including, but not limited to:
  - high blood pressure
  - administration of beta blockers after a heart attack
  - cholesterol
  - asthma
  - diabetes
  - administration of antibiotics
  - follow-up after hospitalization for mental illness
  - antidepressant medication management
  - alcohol and drug dependence treatment

- Monitoring and improving member satisfaction
- Monitoring the availability of and access to care for members
- Monitoring and improving provider satisfaction
- Monitoring complaints about providers and identifying potential quality of care issues
- Performing onsite provider office reviews
- Monitoring and improving continuity and coordination of medical care and behavioral health care
- Improving patient safety
- Monitoring the medical record keeping practices of providers
Adopting, revising, and distributing clinical practice guidelines

B. 2006 QI Program Summary Report

NCQA Accreditation
HealthKeepers, Inc., Peninsula Health Care, Inc., and Priority Health Care, Inc. (hereinafter collectively referred to as “the HMOs”) maintained an Excellent Accreditation status from National Committee for Quality Assurance (NCQA) again in 2006. Anthem Blue Cross and Blue Shield (PPO) maintained its Full Accreditation status from NCQA as well. The HMOs’ Excellent accreditation status—the highest level achievable—was awarded after NCQA’s 2006 clinical outcomes (HEDIS®) and CAHPS™ (Consumer Assessment of Healthcare Providers and Systems) scores were received by NCQA. The HMO products have achieved NCQA’s highest accreditation status since 2000. Each year, the accreditation level is reconsidered when HEDIS® and CAHPS™ scores are audited and submitted to NCQA, and adjustments are made based upon ongoing performance. This demonstrates that not only is the program and its administration strong, but the actual care that our members receive is continually improving.

URAC Accreditation
Full Accreditation from URAC, a nationally respected organization that reviews health plans, was also maintained for Anthem’s Utilization Management program. This accreditation demonstrates that members receive excellent care and that Anthem is structured to support both members and healthcare providers.

Demographics and Disease Prevalence
Commercial HMO, PPO, and Medicaid HMO membership demographics for 2006 were as follows:

- Commercial HMO and PPO membership was mostly female (60.1%), average age of 34, mostly white/Caucasian (80%) and African American (12-15%).
- Top Commercial HMO and PPO inpatient admissions: vaginal delivery, C-section, and Major GYN surgery. High cost practices: cardiology, gastroenterology, endocrinology, and cancer care. Top drugs by cost: antihyperlipidemics, ulcer drugs, and antidepressants.
  - Conclusions for Commercial HMO and PPO: women’s health issues prevalent, including births, breast cancer, and GYN surgeries. Other prevalent conditions: diabetes, heart disease, cancer.
- Medicaid HMO membership mostly children.
- Top Medicaid HMO inpatient admissions: vaginal deliveries, psychoses, and normal newborns. Top outpatient service: ER. Top drugs by cost: asthma medications and antibiotics.
  - Conclusions for Medicaid HMO: population mostly children and young women. Outside of births/deliveries, other prevalent conditions: psychoses and asthma.

2006 HEDIS® (Healthcare Effectiveness Data and Information Set) Clinical Quality Results
The HMO saw improvement in 20 out of 30 clinical measures. Seven measures declined from 2005 and three measures remained the same. The Medicaid HMO product saw improvement in 10 out of 26 measures; 12 measures declined from the previous year and four remained the same.

HMO Measures At or Above the National Average:
- Childhood Immunizations, not including pneumococcal vaccine
- Childhood Immunizations, including pneumococcal vaccine
- Cervical Cancer Screening
- Chlamydia Screening
- Postpartum Care
- Beta Blockers Upon Discharge for Heart Attack
- Persistence of Beta Blocker Treatment for Heart Attack
Monitoring Diabetic Nephropathy
Use of Appropriate Medications for People with Asthma
Appropriate Treatment for Children with Upper Respiratory Infection
Appropriate Testing for Children with Pharyngitis
Antidepressant Medication Management – Acute Phase and Continuation Phase
Initiation and Engagement of Alcohol and Other Drug Dependence Treatment
Follow-up Care for Children Prescribed ADHD Medication
Inappropriate Antibiotic Treatment for Adults with Acute Bronchitis

Medicaid HMO Measures At or Above the National Average:
- Childhood Immunizations, including pneumococcal vaccine
- Cervical Cancer Screening
- Chlamydia Screening
- Diabetes HgA1c Testing
- Diabetes Lipid Profiles
- Monitoring Diabetic Nephropathy
- Follow-up After Hospitalization for Mental Illness (30-day follow-up and 7 day follow-up)
- Antidepressant Medication Management – Acute Phase and Continuation Phase
- Inappropriate Antibiotic Treatment for Adults with Acute Bronchitis
- Use of Spirometry Testing in the Assessment and Diagnosis of Chronic Obstructive Pulmonary Disease

Some activities conducted in 2006 to improve clinical care measure rates included:
- Reminders to members/parents regarding: childhood immunizations, adolescent immunizations, mammograms, Pap smears, colorectal cancer screening, high blood pressure checks, cholesterol screening, and diabetes care
- Women’s health information sent to all women members, a diabetes calendar sent to all diabetic members, and Baby Benefits information to all pregnant women (Baby Benefits is Anthem’s high-risk pregnancy program)
- Provider/hospital financial incentives provided for: childhood immunizations, adolescent immunizations, mammograms, beta blockers, cholesterol screening, asthma care, diabetes care, follow-up care after hospitalization for mental illness, and appropriate use of antibiotics
- Member financial incentives provided for: postpartum visits and follow-up care after hospitalization for mental illness
- Lists of members needing childhood or adolescent immunizations sent to providers.
- Educated Medicaid HMO members regarding childhood and adolescent immunizations
- Offered Kelson Vaccine Program to providers – lower cost immunizations.
- Provided list of mammogram facilities to members
- Assisted Medicaid HMO members with scheduling prenatal and postpartum appointments
- Began offering free glucometers to members/lowered cost of test strips
- Collaborated with the American Diabetes Association: Sponsored two Diabetes Care Days and provided diabetic educational materials to members
- Riverside Health System Pilot (Newport News, Virginia): Collaborated with Riverside physician group to encourage all diabetic members to receive appropriate care, provided financial incentive to members
- Supplied employer groups with American Diabetes Association assessment forms for employees
- Eliminated referrals for optometry and ophthalmology for diabetics
- Continued antibiotic education with members in Virginia via Stan the Superbug
- Issued alerts to members from pharmacy benefit manager when antidepressants not refilled
Clinical Practice Guidelines
The following clinical practice guidelines were revised and communicated during 2006:
- Adult and Pediatric Asthma
- Coronary Artery Disease
- Congestive Heart Failure
- Depression
- Bipolar Disorder
- Substance Abuse

Continuity and Coordination of Care
Anthem measures continuity and coordination of care between medical providers and continuity and coordination of care between medical and behavioral health providers in order to promote seamless, continuous, communicative and appropriate care to members.

Continuity and Coordination of Medical Care:
A satisfaction survey, which was conducted by a survey group, asked contracted physicians in VA "how satisfied they were with receiving reports from other med/surg specialists, home health agencies, outpatient surgery centers, hospitals (discharge summaries), Emergency Rooms, outpatient labs, outpatient radiology and skilled nursing facilities."
- The area of satisfaction with the greatest variation from the goal and which was significant for validity testing against the goal of 85% was ER reports.
- Although satisfaction with ER reports has not been previously surveyed, area practitioners have generally verbalized satisfaction in this area.
- The Quality-in-Sights: Hospital Incentive Program (Q-HIP) incents facilities to implement/maintain processes to:
  - Obtain a complete list of a patient medications upon arrival
  - Communicate a complete list of a patient's medications to the next provider of care (e.g. private practitioner, nursing home, etc.)

Continuity and Coordination of Behavioral Health Care with Medical Care:
Anthem utilized the three components of the HEDIS Antidepressant Medication Management, including: three follow up contacts within the initial 12 weeks of treatment, and continuance of antidepressant medications for both the initial 12 weeks and for 6 months of treatment.
- Optimal practitioner contacts (measure 1) exceeded 90th percentile but decreased by 5.5 percentage point, exceeding the goal by 7.73 percentage points.
- Acute phase of antidepressant medication management (measure 2) declined 0.4 percentage points from 2005 to 2006 while remaining in the 75th percentile.
- The continuation antidepressant medication management phase (measure 3) increased 0.6 percentage points from 2005 to 2006 and remained in the 50th percentile in 2006.

Anthem also utilized exchange of information standards including member consent to share information, documented sharing of information with PCPs in the medical record, and provider satisfaction with the timeliness and completeness of reports from psychiatrists and other behavioral health providers.
- Medical records containing patient consent to share information with PCP’s (92%) met the goal of 90% and exceeded it by 2 percentage points, as well as, the rate from the previous year.
- Medical records containing documented sharing of information with PCP’s (84%) did not meet the goal of 90% by minus 6 percentage points and showed a drop of 2 percentage points from the previous year.
- The physician satisfaction survey for reports to PCP’s for both Timeliness and Completeness of reports from psychiatrists and other behavioral health providers is a baseline report.
**Medical Record Documentation Evaluation**

Anthem requires practitioners and providers to maintain medical records in a manner that is current, detailed, and organized and which permits effective and confidential patient care. Medical record documentation is periodically monitored via an assessment of records randomly selected for internal reviews, such as, utilization review, quality of care issue review, and/or HEDIS measure review. Results for 2006 are as follows:

- 280 medical records were evaluated
- No areas were identified below the performance goal of 80%
- Over result for medical record documentation was 97%

**Provider Network Availability and Accessibility**

**Availability**

Annually, Anthem ensures that a sufficient number and mix of practitioners, providers and practice sites are available for members within Anthem’s geographic service areas via using a combination of GeoAccess reports and CAHPS member satisfaction data. In 2006:

- All three products met the goal for CAHPS question 7, members responding that they did not have a problem getting a personal doctor or nurse they are happy with.
- Only the PPO met the goal for CAHPS question 9, members responding that in the last 12 months they did not have a problem seeing a specialist they needed to see.
- Commercial HMO and PPO met all goals regarding geographical distribution of providers.
- All three products met goals regarding behavioral health provider ratios.
- Medicaid HMO met all goals regarding geographical distribution of providers except for the following: specialized facilities and psychiatric hospitals (for all Medicaid and FAMIS members) and OB/GYN’s for rural Medicaid FAMIS members.
- Medicaid HMO met goals regarding PCP and dental provider ratios.

**Access**

Anthem performs annual access to care monitoring via review of in-office appointment access review results, annual member satisfaction survey data, and/or review of member complaints regarding access to specific practitioners. For 2006:

- Routine Care Appointments: All three products met performance goal for CAHPS question 20, only Medicaid HMO met performance goal for CAHPS question 19.
- Urgent Care Appointments: All three products met performance goal for CAHPS question 17, only PPO met performance goal for CAHPS question 16.
- After Hours Care: Medicaid HMO and PPO met performance goal for CAHPS question 20a (custom question).
- Behavioral Health Appointments: All products met performance goal for non-life threatening emergency and urgent care appointments, only HMO product met performance goal for routine care.
- Complaints about Appointment Access: Received 150 complaints about appointment access in 2006; fifteen (15) providers had multiple complaints about appointment access in 2006; two (2) providers had multiple appointment access complaints in 2005 and 2006.

**Point of Care**

In 2006, more than 15,000 Virginia physicians completed more than 6 million transactions via Point of Care, Anthem’s provider portal - 1 million more than in 2005. The web-based system allows physicians to submit claim adjustment requests, referrals, authorizations, and retrieve eligibility information.
Member Complaints and Appeals

<table>
<thead>
<tr>
<th>All Products – Virginia</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Member Complaints Resolved Within 30 Days</td>
<td>99.94%</td>
</tr>
<tr>
<td>% Member Appeals Acknowledged Within 5 Days</td>
<td>94.71%</td>
</tr>
<tr>
<td>% PreService Member Appeals Closed Within 30 Days</td>
<td>97.64%</td>
</tr>
<tr>
<td>% PostService Member Appeals Closed Within 60 Days</td>
<td>98.87%</td>
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</tbody>
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Quality of Care Issues/Complaints
Anthem identifies potential quality of care issues, recognized as preventable errors, during the prospective, concurrent or retrospective review process, the member complaint resolution process, and/or the medical record review or clinical audit process. Each preventable error that is identified is investigated and reviewed, as appropriate, by a Medical Director and appropriate action is taken based on the outcome of the investigation.

- For the first half of 2006, 13 cases were identified as potential quality of care issues. Three did not involve any serious harm or injury to the member – the providers involved will be tracked and trended for any future incidences. The remaining 10 cases were closed due to a lack of a true quality of care issue.
- Revised Quality of Care process in 9/06 to reflect “nevers” as defined by the National Quality Forum.
- For the last half of 2006, four cases were identified as potential quality of care issues according to the revised policy. All four cases did not involve serious harm/injury/adverse outcome(s) for the member. They were closed out and will be tracked and trended for any future incidences with the involved providers.

Submio™ Healthcare Advisor
Continued providing information to members on hospital quality/safety through the Submio™ Healthcare Advisor on anthem.com. The tool rates hospitals on volume of patients treated for selected procedures/conditions, volume of patients with complications/infections, public perception of hospital, accreditation status of hospital, teaching status of hospital, whether hospital treats primarily children, availability of high technology services, and availability of ICU, CICU, and NICU services.

2006 CAHPS® (Consumer Assessment of Healthcare Providers and Systems) Satisfaction Results
The CAHPS® Satisfaction Survey measures satisfaction with the health plans and with participating physicians. Areas where Anthem’s health plans met performance goals in 2006 include:

HMO Results At or Above the National Average:
- Overall Rating of Health Plan
- Overall Rating of Personal Doctor or Nurse
- Customer Service
- Claims Processing
- Getting Needed Care (health plan’s service approval process)
- Courteous and Helpful Office Staff

Medicaid HMO Results At or Above the National Average:
- Overall Rating of Health Plan
- Overall Rating of All Health Care
- Overall Rating of Personal Doctor or Nurse
- Overall Rating of Specialist
- Customer Service
- Getting Needed Care (health plan’s service approval process)
- Getting Care Quickly (physician appointment access)
- How Well Doctors Communicate
- Courteous and Helpful Office Staff

PPO Results Which Improved from 2005 (National Averages Not Available):
- Overall Rating of Health Plan
- Overall Rating of Specialist
- Customer Service
- Claims Processing
- Getting Needed Care (health plan’s service approval process)
- Getting Care Quickly (physician appointment access)
- How Well Doctors Communicate
- Courteous and Helpful Office Staff

Areas identified for improvement during 2007 include: benefit issues (drug benefits, referral/pre-certification process, co-payments), physician appointment wait times, provider billing issues, and trouble communicating with providers due to language barriers.

Commitment to Patient Safety - Quality-In-Sights® Hospital Incentive Program (Q-HIP)
In 2006, Anthem continued its program focused on hospital quality, the Quality InSights: Hospital Incentive Program (Q-HIP). Q-HIP is a performance-based reimbursement program for hospitals. It strives to align incentives by financially rewarding hospitals for practicing evidence-based medicine to improve patient safety, patient outcomes, and member satisfaction. When incentives are aligned, outcomes are better for all stakeholders in the health care system.

Sixty-three Virginia hospitals participated in the program that began July 1, 2006 which together represented approximately 92% of Anthem’s inpatients admissions in 2005.

2006 Q-HIP indicators included:

Patient Safety
- Documented compliance in the Joint Commission for the Accreditation of Healthcare Organizations (JCAHO) patient safety goals
- Computerized Physician Order Entry (CPOE) system
- ICU Staffing Standards
- Safety Practices recommended by the National Quality Forum
- IHI (?) Rapid Response Teams
- Patient Safety and Quality Improvement Measures – disease/condition specific recognition program, practice guidelines, participation in QI activities

Health Outcomes
- American College of Cardiology's (ACC) National Cardiovascular Data Registry (NCDR™) Indicators (only measured in hospitals performing cardiac catheterizations)
- JCAHO ORYX Core Measures: Acute Myocardial Infarction (AMI), Heart Failure, Pneumonia, Surgical Care Improvement Project Indicators, and Pregnancy/Related Conditions (pregnancy is only measured in hospitals with maternity services)
- Society of Thoracic Surgeons (STS) Database Coronary Artery Bypass Graft (CABG) Indicators (only measured in hospitals performing (CABG)

Member Satisfaction
- Member Satisfaction Survey Results
- Hospital-Based Physician Contracting
The 2006 Performance Extra Incentive Program for Commercial HMO, Medicaid HMO, and PPO PCPs included the following indicators:

- Appropriate Asthma Management – Care Management Ratio, Asthma Medication Ratio
- Appropriate Diabetic Management – HbA1c Testing, Retinal Eye Exams, Microalbuminuria Testing, ACE/ARB
- Appropriate Cholesterol Management – Cholesterol Screening
- Appropriate Hypertension Management – Hypertension Serum Chemistries, Hypertension Follow Up Office Visit
- Appropriate Mental Health Management – ADHD Follow Up Care
- Appropriate Use of Antibiotics – Acute Otitis Media, Pharyngitis, Sinusitis
- Preventive Medicine – Mammograms, Childhood Immunizations
- Patient Satisfaction
- Practice Open
- Point of Care Usage
- Electronic Medical Record
- Generic Drugs

The 2006 PEX program included credit for any PCP becoming certified for diabetes care via NCQA’s Physician Recognition Program for Diabetes Care.